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Economic Research Service | **April 2006** | **U.S. Department of Agriculture**

ERS is the main source of research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

New On the Web

A makeover for the ERS Website

On March 31, 2006, ERS launched a redesign of our site.

You'll find:

- A bold new look
- Information-rich homepage
- Improved usability
- Easier navigation
- Information easier to locate
- Same timely, informative content

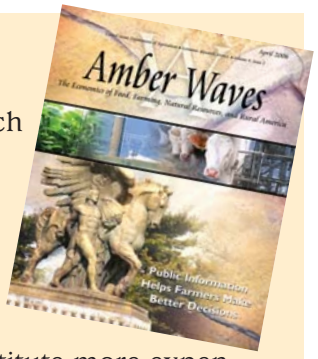
View it at:

www.ers.usda.gov

Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade, including special reports on hot topics. All reports, along with a calendar of future releases, are available at: **www.ers.usda.gov/publications/outlook**

Amber Waves April 2006



Amber Waves magazine covers the full range of ERS research and analysis, including articles on food, farming, natural resources, and rural America.

www.ers.usda.gov/AmberWaves

Agriculture and Rural Communities Are Resilient to High Energy Costs

Higher energy costs have led agricultural producers to substitute more expensive fuels with less expensive fuels, shift to less energy-intensive crops, and employ energy-conserving production practices where possible. Increases in petroleum and natural gas costs also affect rural communities and their residents through higher transportation and home heating costs. A secondary effect of rising fuel costs is to discourage people from vacationing in or moving to rural areas, particularly remote areas far from major services and employment centers, thereby reducing revenues to businesses that provide services to these people.

Economic Effects of Animal Diseases Linked to Trade Dependency

In the last decade, animal disease outbreaks have repeatedly disrupted meat trade. The economic effects of disease-related trade bans and consumption changes on an individual country depend on the size of its meat trade relative to domestic production or consumption as well as consumers' perceptions about potential risks to their own health. While production or consumption in some countries has declined significantly, at the global level meat trade has risen, despite the disease outbreaks.

Ethanol Reshapes the Corn Market

The expanding U.S. ethanol sector is stimulating demand for corn, but alternatives to corn may dampen that demand. Work is underway to add over 2 billion gallons to the annual capacity of the U.S. ethanol sector. To meet the sector's growing demand for corn, some of the corn produced in the United States is likely to be diverted from exports. In the future, corn may cease to be the main feedstock for U.S. ethanol production if cellulosic biomass is successfully developed as an alternative.

Public Information Creates Value

Soybean rust (SBR) was first found in the United States in 2004. In response to this threat, USDA leads an initiative to forecast and monitor outbreaks of SBR to help farmers efficiently apply fungicides. Even though SBR was less damaging than expected in 2005, ERS research finds that the public information about SBR was still quite valuable because it helped farmers make better decisions. Although the precise value of the SBR information is unclear, with estimates ranging from $11 million to $299 million in 2005, even the lowest estimated value is several times the costs of providing the information to farmers.

Soybean Backgrounder

www.ers.usda.gov/publications/OCS/apr06/OCS200601

Soybean Backgrounder addresses key domestic and international market and policy developments that have affected the U.S. soybean sector in recent years. It provides an analysis of the competition between crops for domestic farmland and the international supply and demand for soybean products. Also covered are domestic and trade policy, farm program costs, and a profile of operating and financial characteristics of U.S. farms producing soybeans.

The Value of Early-Warning Systems for Plant Disease

www.ers.usda.gov/Publications/ERR18

The Value of Plant Disease Early-Warning Systems: A Case Study of USDA's Soybean Rust Coordinated Framework examines, as a case study, USDA's coordinated framework for soybean rust surveillance, reporting, prediction, and management, which was developed before the 2005 growing season. The framework's linchpin is a website that provides real-time, county-level information on the spread of the disease. The study finds that the framework's information is valuable to farmers even in a year with a low rust infection like that of 2005. The authors estimate that the information provided by the framework increased U.S. soybean producers' profits by a total of $11 million to $299 million in 2005, or between 16 cents and $4.12 per acre, depending on the quality of information and other factors. The reported cost of the framework was between $2.6 million and almost $5 million in 2005.

Coming Soon...A New Report from ERS

The Role of Policy and Industry Structure in India's Oilseed Markets

Oilseeds and oilseed products emerged during the 1990s as one of the fastest growing components of global and U.S. agricultural trade, with developing countries accounting for most of the growth in both supply and demand. India is the world's second most populous country, the third largest economy in Asia, and one of the world's fastest growing developing economies. India is also a major producer and consumer of oilseeds and their products, emerging in the late 1990s as one of the world's largest importers of vegetable oils. Higher incomes, low productivity in domestic oilseed production, and more liberal policies for edible oil imports are all expanding trade.

Look for it on our Website in late April

How to get more information . . .

More information about the items featured in Dateline*ERS* can be found on our website: www.ers.usda.gov by going to the web address listed in each article. This newsletter is available online at www.ers.usda.gov/news